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STATE OF HAWAII

NOTICE OF AND REQUEST FOR EXEMPTION
FROM CHAPTER 103F, HRS

STATE PROCUREMENT OFFICE
STATE OF HAWAII

To: Chief Procurement Officer

From: Department of Health, Adult Mental Health Division *ay*
Department/Division/Branch or Office

Pursuant to § 103F-101(a)(4), HRS, and Chapter 3-141, HAR, the Department requests a procurement exemption to purchase the following:

1. Title and description of health and human service(s): Community-Based Case Management (CBCM) Services		
<p>Hawaii's adult mental health system is based on the concept of recovery, that consumers can lead fulfilling lives even in the presence of a severe and persistent mental illness. Services are focused on the need of the individual, not only on symptom relief and stabilization, but on consumer empowerment and the skills needed to lead satisfying, hopeful, and contributing lives.</p> <p>The Adult Mental Health Division's (AMHD), CBCM service is a key service that assists each consumer in developing recovery service relationships with multi-professional treatment team members that include, but are not limited to, a peer-specialist, registered nurse, case manager, and psychiatrist or advanced practice nurse with prescriptive authority. The CBCM service promotes recovery, vocational and personal goals, and sustaining hope during periods of relapse by providing rehabilitation and progressive treatment interventions utilizing stages of change, stages of treatment, motivational strategies, and case management for multiple co-occurring conditions.</p>		
2. Provider Name and Address:	Various, see attached list	
3. Total Contract Funds:	\$8,310,000	estimated
Contract Funds per Year (if applicable):		
4. Reference number of Previous Request for this Service (if applicable):		
5. Term of Contract:	Start: 1/31/12	End: 6/30/12

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6. Describe how procurement by competitive means is either not practicable or not advantageous to the State:

The AMHD released a Request for Information for CBCM services on September 16, 2010. The current contract for CBCM services is scheduled to end on 6/30/11, and will be extended through December 31, 2011 pursuant to section 3-149-301(c), HAR. Unfortunately, due to the current budget shortfall, the change in administration, and the shortage of staff, the AMHD has been challenged to redesign services in innovative ways that meet the requirements of our consumers, community input, federal and state regulations and statutes, and our funding limitations. The redesign of services has required the inclusion of input from the entire AMHD clinical and business operation teams, which has been time consuming due to the departure of key clinical AMHD staff members and lack of staff resources available to address all requirements of the vacated positions.

The AMHD is also involved in a lawsuit over the changes to our eligibility criteria and to services, including this service. A hearing is scheduled to be held on May 16, 2011, where the Director of Health, Ms. Loretta Fuddy is recommending that mediation be a part of the settlement agreement. If the Court agrees to mediation, the process could take another 2 to 3 months for a resolution to the lawsuit, and for AMHD to receive the settlement agreement.

If a settlement agreement involving the case management service conflicts with our proposed CBCM services, the AMHD will be required to reprocur the service, twice, in a 12-month period. The reprocurement may have a negative impact on our consumers if they are required to transition to a new case manager and case management agency twice within a 12-month period and on our providers for the time it requires and on the cost to resubmit a proposal application.

An extension of time will enable the AMHD to reprocur the CBCM services in a manner that is beneficial to the program, consumers, and potential providers. Research has shown that consumers are most vulnerable during the holiday season. An extension of time will enable the AMHD to start the new CBCM services contracts in February 2012, and ease the transition for consumers who may be required to move to another case management agency due to the new contract awards, by delaying the move to after the holiday season and by providing a 2-month transition period.

With the extension of time, AMHD will plan to release the Request for Proposals in the Summer of 2011, with additional time provided for applicants to write and submit their proposal applications, and adequate time for proposals to be reviewed and awarded before November 2011, with time allocated for protests, contract execution, and potential provider transition time.

See attached AMHD's proposed timeline.

7. Describe the reason for the selection of the provider including a description of how the procedure ensured the maximum fair and open competition practicable:


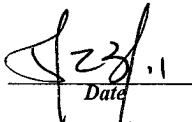
The providers selected are all existing, competitively procured AMHD CBCM providers, which are targeted for improvement based on best practices, court settlements, and community input. This request will ensure that there is no break in service or any undue interruption of care.

8. Describe the state agency's internal controls and approval requirements for the exempted procurement: Service and administrative requirements under the contract shall be monitored through AMHD's regular oversight and monitoring procedures.

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9. List the state agency personnel, by position title, who will be involved in the approval process and administration of the contract: Amy Yamaguchi, Public Health Administrative Officer Enid Kagesa, AMHD Contracts Coordinator	
10. Direct questions to (name & position):	Amy Yamaguchi, PHAO
Phone number:	586-4681
e-mail address:	amy.yamaguchi@doh.hawaii.gov

I certify that the information provided above is to the best of my knowledge true and correct.

 _____ <i>Department Head Signature</i>	 _____ <i>Date</i>
<u>Loretta J. Fuddy, A.C.S.W., M.P.H.</u> <i>Typed Name</i>	

NOTICE

The chief procurement officer is considering this request for exemption and, if there is good cause, the state intends to exempt the purchase as described in the request. Any inquiries regarding the purchase shall be directed to the contact person noted in item 10 of the request. Any concerns regarding the exemption shall be in writing and received by the chief procurement officer within seven days of the date the notice was first posted. Concerns shall be mailed to: Aaron Fujioka, Chief Procurement Officer, State Procurement Office, 1151 Punchbowl St., #230A, Honolulu, HI 96813.

FOR CHIEF PROCUREMENT OFFICER USE ONLY

Chief Procurement Officer's Comments:

This award is required to be posted on the Awards Reporting System. No additional approvals will be granted beyond 06/30/12.

☒ **APPROVED** ☐ **DISAPPROVED** ☐ **NO ACTION**

 _____ <i>Chief Procurement Officer Signature</i>	<u>6/6/2011</u> _____ <i>Date</i>
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Please ensure adherence to applicable administrative requirements.

Adult Mental Health Division
Community-Based Case Management Services Providers

Aloha House, Inc. P.O. Box 791749 Paia, HI 96779	\$ 620,000.00
APS Healthcare Bethesda, Inc. 1600 Kapiolani Boulevard, Suite 920 Honolulu, HI 96814	\$ 135,000.00
CARE Hawaii, Inc. 606 Coral Street Honolulu, Hawaii 96813	\$3,500,000.00
Community Empowerment Services 1110 University Avenue #411 Honolulu, Hawaii 96826	\$ 590,000.00
Helping Hands Hawaii 2100 N. Nimitz Highway Honolulu, Hawaii 96819	\$ 390,000.00
IHS, The Institute for Human Services 546 Kaaahi Street Honolulu, Hawaii 96813	\$ 50,000.00
Kalihi-Palama Health Center 904 Kohou St., #307 Honolulu, Hawaii 96817	\$ 150,000.00
Mental Health Kokua 1221 Kapiolani Blvd., #345 Honolulu, HI 96814	\$ 115,000.00
North Shore Mental Health, Inc. 56-119 Pualalea Street Kahuku, Hawaii 96731	\$2,760,000.00
Total funds - estimated	\$8,310,000.00

Procurement Timetable – CBCM RS RFP (Rev 5/12/11)

Activity	Scheduled Date
<i>Final Clinical Review</i>	Est 9/7/11
Public notice announcing RFP	9/12/11
Distribution of RFP	9/12/11
RFP Orientation Session	9/21/11, 9:00 – 11:00 am Waimano, Building 4 Pearl City
Closing date for submission of written questions for State's response	9/26/11, 2:00 pm
State purchasing agency's response to applicants' written questions	10/17/11*
Discussions with applicant(s) prior to proposal submittal deadline (optional)	TBD
Proposal Submittal Deadline	11/3/11, 2:00 p.m.
Discussions with applicant after proposal submittal deadline (optional)	TBD
Final revised proposals (optional)	TBD
Proposal Evaluation period	
Copies duplicated; Administrative review completed	11/4/11 – 11/9/11
Evaluation committee to read proposal applications	11/10/11 – 12/2/11
RFP Review Committee scores proposal applications	12/5/11 – 12/9/11
Contracts Unit to format Statement of Findings/awards	12/12/11 – 12/16/11
Provider Selection	12/16/11
Notice of Statement of Findings mailed to Provider	12/21/11
Deadline for Protest to be submitted	12/30/11
Protest month (if no protest, no activity for the month)	01/2012
ASO/AG Review	02/20/12 – 04/20/12
New CM Providers to start / Contract Start Date	05/01/12
Transition Period	05/01/12 – 06/30/12
Old CBCM Contracts End/Consumers Transitioned to new CBCM RS Providers	06/30/12

*Based on past case management RFPs, we are anticipating many questions, which have required a 3-week time frame to respond. If the questions received are limited, the timetable will be amended, so there is more time for the applicants to complete their proposal applications, but the proposal deadline will remain the same.